

Message Text

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70

ACTION ARA-20

INFO OCT-01 ISO-00 AGR-20 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DODE-00 PM-07 H-03 L-03 PA-04 PRS-01 USIA-15

SWF-02 DRC-01 /193 W
----- 059574

R 181700Z SEP 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 5636

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 7131

E.O. 11652: N/A

TAGS: EFIN, BR

SUBJECT: INFLATION IN AUGUST

REF: BRASILIA 6257

1. ACCORDING TO THE GETULIO VARGAS FOUNDATION, THE GUANABARA COST-OF-LIVING INDEX IN AUGUST WENT UP BY 1.6 PERCENT, THE LOWEST MONTHLY INCREASE SO FAR THIS YEAR. THE CUMULATIVE INCREASE THROUGH AUGUST WAS 25.0 PERCENT, AS COMPARED WITH 8.6 PERCENT DURING THE SAME TIME LAST YEAR.

2. THE MAJOR CONTRIBUTING FACTORS TO THE GUANABARA COST-OF-LIVING INCREASE DURING JAN/AUGUST WERE: FOOD PRICES, UP 32.4 PERCENT; RENTS UP 22.5 PERCENT; PERSONAL SERVICES (WHICH INCLUDES GAS PRICES), UP 21.5 PERCENT; MEDICAL SERVICES, UP 20.8 PERCENT; AND PUBLIC SERVICES, UP 20.6 PERCENT.

3. COMMENT: THE RISE IN THE INDEX OF 1.6 PERCENT IN AUGUST IS IN LINE WITH FINANCE MINISTER SIMONSEN'S PUBLICLY-STATED TARGET OF 32 PERCENT RATE OF INFLATION IN 1974 (AS REPORTED UNCLASSIFIED

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REFTEL). TO MEET SIMONSEN'S TARGET, THE AVERAGE

MONTHLY INCREASE DURING THE NEXT FOUR MONTHS WOULD HAVE TO BE
ABOUT THE SAME AS THE AUGUST LEVEL.
CRIMMINS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
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Copy: SINGLE
Draft Date: 18 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
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Errors: N/A
Film Number: D740262-0201
From: BRASILIA
Handling Restrictions: n/a
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30 JUN 2005

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